

***MICROSOFT RESELLER SERVICES
RFP# 07-1408F***

EVALUATION AND RECOMMENDATION

September 26, 2006

**PREPARED BY: DEPARTMENT OF ADMINISTRATION
INFORMATION TECHNOLOGY SERVICES DIVISION
PROCUREMENT SERVICES BUREAU**

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SECTION I – EXECUTIVE SUMMARY

A Request for Proposal (SPB07-1408F) to select a Microsoft Large Account Reseller (LAR) was prepared and released for competitive bidding on July 28, 2006.

The Microsoft Select 6.1 Agreement allows the State to purchase and license Microsoft products at a discount based on the volume of product purchased. The intent of the RFP was to select a Microsoft LAR to administer this Agreement and to provide State agencies with an expedited means of procuring Microsoft products and licenses at the lowest available price.

The incumbent provider was chosen through an Invitation for Bid in which the lowest qualified bidder was awarded the contract. Several State agencies have reported problems with customer service and support with the incumbent. As a result ITSD made the decision not to renew the existing contract and use the RFP process to select a new provider.

An optional Vendor Conference Call was held August 8, 2006. On August 15, clarification questions were received from the vendors. The State posted responses to the clarification questions on August 25.

By September 6, the State Procurement Bureau received responses from nine offerors. One response was a “No Bid” response from a firm which was not qualified to submit a proposal since they were not an authorized Microsoft LAR. The eight responses evaluated and scored by the evaluation committee were submitted by:

- Softmart Government Services, Inc., Downingtown, PA
- En Pointe Technologies Sales, Inc., El Segundo, CA
- Software House International, Somerset, NJ
- CompuCom Systems, Inc., Dallas, TX
- PC Mall Gov Sales, Inc., Torrance CA
- Dell Marketing, L.P., Round Rock, TX
- ASAP Software Express, Inc., Buffalo Grove, IL
- CDW-G, Herndon, VA

SECTION II – PROPOSAL SUMMARY

The Scope of Project section of the RFP asked offerors to submit proof of their LAR certification from Microsoft and to describe their ability to provide the State of Montana with reseller services including reporting capabilities, contract administration and agency support, enrollment and ordering requirements, customer support, training and education, and product warranty.

The Offeror Qualifications section asked offerors to provide information regarding contract management, problem resolution, communications, invoicing procedures, key contract personnel, and state government experience.

The above sections were scored using a consensus scoring method whereas the evaluation committee met and reached agreement on the offeror's score for each section.

The offerors were required to submit three (3) customer references who use or have used their firm as a Microsoft LAR, preferably within the last three years. References were scored by entering the rating given by the reference.

The Cost section asked offerors to provide the percent off retail price (POR) on the three different license pools under the Select Volume License Agreement, and to provide pricing for a representative list of products and licenses. Cost was scored per a mathematical formula based on the POR proposed for each box in the cost table.

SECTION III – SCORING CRITERIA

Responsive proposals were reviewed by the evaluation team utilizing the following “points-earned” matrix:

Scope of Project	36%
References	12%
Offeror Qualifications	22%
Cost Section	<u>30%</u>
	100%

Scope of Project	36% of points for a possible 36,000 points
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Category	Section of RFP	Point Value
A. Microsoft Reseller Services	3.3.1	7,500
B. Monthly Reporting	3.5.1	3,000
C. Annual Reporting	3.5.2	2,000
D. Contract Administration & Agency Support	3.6	2,000
E. Agency Support	3.6.1	2,000
F. Ordering Process	3.7.1	2,500
G. Order Acknowledgment	3.7.2	1,500
H. On-line or web-based Ordering Capabilities	3.7.3	2,000
I. Order Problems	3.7.4	2,500
J. Software Media	3.7.7	1,000
K. Toll Free Number for Ordering/Inquiries	3.8.1	2,500
L. Assistance with Product Selection	3.8.2	2,500
M. Software Assurance/Upgrades	3.8.3	2,500
N. Training & Product Support	3.9	<u>2,500</u>
Total		36,000 pts

References	12% of points for a possible 12,000 points
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Category	Section of RFP	Point Value
A. References (three) (4,000 possible points per reference)	4.1.1	12,000

Each reference will rate the Offeror's performance in five areas using the ratings from 0-4 below:

4 – Strongly Agree/Very Positive	800
3 – Agree/Positive	600
2 – Neutral	400
1 – Disagree/ Negative	200
0 – Strongly Disagree/Very Negative	0

Company Profile/ Experience	22% of points for a possible 22,000 points
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Category	Section of RFP	Point Value
A. Years in Business	4.1.2.1	2,000
C. Managing the Contract	4.1.3.1	4,000
D. Problem Resolution	4.1.3.2	4,000
E. Communications	4.1.3.3	4,000
F. Invoicing Procedures	4.1.3.4	1,500
G. Contract Office	4.1.3.5	1,500
G. Contract Manager	4.1.4.1	2,500
H. Contract Liaison	4.1.4.2	1,500
I. State Government Experience	4.1.5	<u>1,000</u>
Total		22,000 pts

Cost Proposal	30% of points for a possible 30,000 points
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Category	Section of RFP	Point Value
A. Cost Proposal	5.0	30,000

Highest Percent Off Retail (POR) in each box of the Price Table receives the maximum allotted points. All other proposals receive a percentage of the points available based on their relationship to the highest POR. Example: Possible points for POR in box 1: 12,968 (30,000*95%*70%*65%). Offeror A's POR is 25%. Offeror B's POR is 20%. Offeror A would receive 12,968 points, Offeror B would receive 20 points (20/25) = 80% x 12,968 points = 10,374).

POINT BREAKDOWN:

95% Consideration in Cost Award

Microsoft Select 6.1 Pool Consideration in Award	License Only 70%	License and SA 15%	SA Only 15%	
Application (Level D)	12,968	2,779	2,779	65% of overall total
Server (Level D)	5,985	1,283	1,283	30% of overall total
Systems (Level D)	998	214	214	5% of overall total

5% Consideration in Cost Award

Category	Percent off retail
Media (CD)	750
Documentation	750

SECTION IV – SCOPE OF PROJECT SCORING

The State is interested in the Offeror's ability to provide reseller services including contract management and customer services support. Offeror responses for Scope of Project were scored based on the following scoring matrix:

- **Superior Response (95-100%):** A superior response is a highly comprehensive, excellent reply that meets all of the requirements of the RFP. In addition, the response covers areas not originally addressed within the RFP and includes additional information and recommendations that would prove both valuable and beneficial to the agency.
- **Good Response (85-94%):** A good response meets all the requirements of the RFP and demonstrates in a clear and concise manner a thorough knowledge and understanding of the project, with no deficiencies noted.
- **Fair Response (60-84%):** A fair response minimally meets most requirements set forth in the RFP. The offeror demonstrates some ability to comply with guidelines and requirements of the project, but knowledge of the subject matter is limited.
- **Failed Response (0-59%):** A failed response does not meet the requirements set forth in the RFP. The offeror has not demonstrated sufficient knowledge of the subject matter.

The items that the offerors were asked to address were:

Microsoft Reseller Services (7,500 points). Offerors were asked to describe their firm's ability to provide reseller services including years in business as a LAR, other government customers, and their customer service and support capabilities.

Monthly Reporting (3,000 points). Reporting is very important to the State to ensure we're meeting the requirements of the Select Volume License Agreement. Offerors were asked to describe how they provide these reports and to submit a sample report.

Annual Reporting (2,000 points). Offerors were asked to describe how they will provide the State with annual reports and to submit a sample report.

Contract Administration and Agency Support (2,000 points). Offerors were asked to appoint one main contact for the administration of this contract. They were to include the name, address and a toll-free number as well as the hours in Mountain Standard Time and days of availability for the main contact.

Agency Support (2,000 points). Offerors were asked to name a contact person for each agency for customer service and support. Offerors were to use the table of State Agencies in Appendix E to list the Contractor's contact name, email address and phone number.

Ordering Process (2,500 points). Offerors were asked to describe their firm's ordering process, including any special forms required for enrollment agreements.

Order Acknowledgement (1,500 points). Offerors were asked to describe the firm's process for responding to requests regarding orders, reports, or any other inquiries. State requires a minimum 4-hour response time to inquiries.

On-line Ordering Capabilities (2,000 points). Offerors may provide a web-based ordering portal for purchasing, tracking deliveries and other services. Offerors were asked to provide a URL and guest access to their website for the State to test.

Problem orders (2,500 points). Offerors were asked to describe their process for resolving problem orders, i.e. incomplete information, product availability, etc.

Software media (1,000). Offerors were asked to describe their capability for supplying software via license, media, electronic download, diskettes and CDs.

Toll-free Telephone Number for Orders and Inquiries (2,500 points). Offeror's were required to provide a toll-free telephone number and to describe their firm's procedure for users to order, track and make inquiries.

Assistance with Product Selection (2,500 points). Offerors were asked to describe their firm's ability to assist State agencies and users in determining the most cost effective buying strategies and determining effective migration strategies for software upgrades, as well as providing product comparisons and recommendations.

Software Assurance/Upgrades (2,500 points). State agencies and users may want to take advantage of software upgrades as Microsoft releases new versions. Offerors were asked to explain their programs/efforts to assist customers in obtaining maintenance fixes and software upgrades, as well helping customers determine whether optional maintenance services are beneficial to them.

Training and Support (2,500 points). Offerors are required to provide training to State agencies in the use of the Contract and their firm's ordering and customer service procedures. Offerors were asked to describe their training and education support program.

SECTION V – OFFEROR QUALIFICATIONS SCORING

The State is interested in the Offeror's ability to perform the services specified in the RFP and carry out the obligations of the contract. The same scoring matrix was used to evaluate the responses to these questions.

Years in Business (2,000 points). The Offeror was required to specify in years and months how long the company submitting the proposal has been a Microsoft LAR.

Managing the Contract (4,000 points). The Offeror was asked to discuss contract management including compliance, reporting, resources, responsibilities and roles.

Problem Resolution (4,000 points). Offerors were asked to explain their approach to problem resolution, including problem reporting, resolution and escalation procedures.

Communications (4,000 points). Offerors were asked to describe their modes and frequency of communications including meetings, written documentation, status updates, policy on returning phone calls and emails, and the availability of the Contractor's liaison.

Invoicing Procedures (1,500 points). Offerors were asked to describe their invoicing procedures.

Contract Office (1,500 points). Offerors were required to name the location of the office that would manage this contract and to describe how they would provide effective and efficient contract management out of the named office.

Contract Manager (2,500 points). The Offerors were required to name a Contract Manager as a single point of contact for all contract issues for the duration of the agreement. Offerors were to include a resume for the named Contract Manager.

Contract Liaison (1,500 points). The Offerors were required to name a Contract Liaison to provide monthly and annual contract reports for the duration of the agreement. Offerors were to include a résumé for the named Contract Manager.

State Government Experience (1,000 points). Offerors were asked to list and describe any previous experience working with state governments. Offerors were required to provide at least three examples.

SECTION VI – REFERENCES SCORING

Offerors were asked to provide three customer references that use or have used their firm as a Microsoft LAR. The references should include state governments or universities where the offeror has successfully executed and implemented a Microsoft Select 6.1 Agreement. The Offerors were required to use the State's reference form in Attachment A.

The reference form contained 5 statements. The Offeror's customer completed the form by indicating a value 0 to 4 depending on their level of agreement with each statement. Customers signed the reference form and sent it directly to the State Procurement Bureau. Each reference had a possible 4,000 points, for 12,000 point total.

The customer references were asked to rate the Offeror using the following scale:

Rating	Point Value
4 – Strongly Agree/Very Positive	800
3 – Agree/Positive	600
2 – Neutral	400
1 – Disagree/ Negative	200
0 – Strongly Disagree/Very Negative	0

The customer references were asked to rate the Offeror's performance on the following:

1. This company delivered the ordered products in a timely fashion.
2. This company provided reports as requested in a timely fashion.
3. This company was knowledgeable about Microsoft licensing.
4. This company returned phone calls and responded to emails in a timely fashion.
5. I would choose to work with this company again.

SECTION VII – COST SCORING

The cost section of the proposal was worth 30,000 points. Costs were scored according the following point breakdown:

Microsoft Select 6.1 Pool Consideration in Award	License Only 70%	License and SA 15%	SA Only 15%	
Application (Level D)	1)→ 12,968	2,779	2,779	65% of overall total
Server (Level D)	5,985	1,283	1,283	30% of overall total
Systems (Level D)	998	214	214	5% of overall total

Category	Percent off retail
Media (CD)	2)→ 750
Documentation	750

The offeror with the highest percentage off retail price (POR) was awarded full points for each box in the table. The next highest POR was awarded points based on the relationship to the highest POR.

Examples:

1)→Dell proposed the highest POR for Application Pool/License Only at 20.25%. Thus, Dell was awarded 12,968 points. SHI proposed a POR of 20.00%. Their score was $20.00/20.25 * 12,968 = \underline{12,807}$ points for that category. In other words, they were within 98.8% (20/20.25) of the highest POR, so received 98.8% of the 12,968 points available.

2)→PC Mall - Gov proposed the highest POR for Media at 25.93%. Thus, PC Mall - Gov was awarded 750 points. ASAP proposed a POR of 18.26%. Their score was $18.26/25.93 * 750 = 528$ points for that category. Or, their POR was 70.4% of the highest POR, so received 70.4% of the 750 points available.

Summary: No one offeror proposed the highest POR in every category, although Dell was close and received the most points for cost at 29,577, and the other scores ranged down to a low of 23,530.

SECTION VIII – RECOMMENDATION

The evaluation committee members were made up of personnel from ITSD, Labor & Industry, OPI, and DPHHS:

The evaluation committee met four times to review and develop consensus scores for the proposals. The company scores are ranked from first to last.

Microsoft Reseller Services	Scope of Project	Offeror Qualifications/Info Requirements	References	Cost	Total	Point Difference (from next)	Point Difference (from top)
SHI	35,875	21,900	12,000	28,686	98,461	--	--
ASAP Software	36,000	21,865	11,800	28,024	97,689	772	772
PC Mall Gov	32,710	19,550	11,400	27,716	91,376	6,313	7,085
CompuCom	31,606	17,642	12,000	27,630	88,878	2,548	9,583
Softmart	30,545	15,950	11,000	23,530	81,025	7,652	17,436
Dell	21,802	15,505	10,400	29,577	77,284	3,741	21,177
En Pointe	27,292	17,399	6,800	25,152	76,643	442	21,818
CDW-G	29,595	16,420	4,000	23,530	73,545	3,197	24,916

The evaluation committee recommends that the State of Montana execute a contract with Software House International (SHI) for a 36-month exclusive term contract for Microsoft Reseller Services no later than September 30, 2006.